

MAINE STATE LEGISLATURE

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ONE - HUNDRETH LEGISLATURE

Legislative Document

No. 805

H. P. 494

House of Representatives, January 25, 1961

Referred to the Committee on Business Legislation. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Choate of Hallowell

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

AN ACT Revising the Laws Relating to the Organization and General Supervisory Powers of the Department of Banks and Banking.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., c. 59, §§ 1-A - 1-P, additional. Chapter 59 of the Revised Statutes is amended by adding 16 new sections to be numbered 1-A to 1-P, to read as follows:

'The Bank Commissioner. Organization. Powers.

Sec. 1-A. Declaration of policy. It is declared to be the policy of the State that the business of all financial institutions shall be supervised by the Department of Banks and Banking in a manner to maintain and promote safe and sound financial practices; the strength, stability and efficiency of financial institutions; the security of deposit and share funds; reasonable and orderly competition; and the development and expansion of financial services advantageous to the public welfare.

Sec. 1-B. Definitions. The following words and phrases used in this chapter, unless a different meaning is plainly required by the context, shall have the following meanings:

I. Banking business. "Banking business" means

A. The soliciting, receiving or accepting of money or its equivalent on deposit as a regular business by any person, copartnership, association or corporation whether such deposit is made subject to check or is evidenced by a certificate of deposit, a passbook, a note, a receipt or other writing;

provided that nothing herein shall apply to or include money left with an agent, pending investment in real estate or securities for or on account of his principal; or

B. The loan of money for profit by a corporation except as a reasonable incident to the transaction of other corporate business or when necessary to prevent corporate funds from being unproductive.

II. Commissioner. "Commissioner" means the Bank Commissioner.

III. Department. "Department" or "Banking Department" means the Department of Banks and Banking.

IV. Financial institution. "Financial institution" means a trust company, savings bank, trust and banking company, institution for savings, loan and building association, savings and loan association or industrial bank organized under the laws of this State.

V. Industrial bank. "Industrial bank" means a company organized under section 201 or having the general powers possessed by companies so organized.

VI. Person. "Person" means an individual, corporation, partnership, joint venture, trust, estate or unincorporated association.

VII. Public convenience and advantage. "Public convenience and advantage" means those factors which bear on the public interest in financial institutions which include the financial history and condition of the financial institution, the adequacy of its capital structure, its future earnings prospects, the general character of its management, the convenience and needs of the community it serves or proposes to serve and the effect of the proposed transaction on competition.

VIII. Savings and loan association. "Savings and loan association" or "loan and building association" means a company organized under section 158 or having the general powers possessed by companies so organized.

IX. Savings bank. "Savings bank" or "savings institution" means a company organized under section 19-B or having the general powers possessed by companies so organized.

X. Trust company. "Trust company" or "trust and banking company" means a company organized under section 90 or having the general powers possessed by companies so organized.

XI. Unsafe and unsound practices. "Unsafe and unsound practices" means those policies, practices, acts or omissions which expose, or tend to expose, the strength and stability of financial institutions or the security of deposit or share funds to substantial injury.

Sec. 1-C. Department of Banks and Banking; Bank Commissioner and employees. The activities of the Department of Banks and Banking shall be directed by a Bank Commissioner, as heretofore appointed, who shall be appointed by the Governor, with the advice and consent of the Council, and who shall hold

his office for 6 years or until his successor is appointed and qualified, and who may be removed from office by the Governor and Council for cause. No person shall be eligible for said office unless he shall have had at the time of his appointment at least 7 years practical experience in one or more of the following capacities, as an executive officer, director or trustee of a bank or loan and building association doing business in Maine, or as an employee in the banking department of this or some other state, or as an employee of a federal examining authority charged with examining financial institutions. He shall engage in no other business or profession. He shall receive an annual salary to be determined by the Governor and confirmed by the Council and his actual traveling expenses incurred in the performance of his duties.

The Bank Commissioner may employ, subject to the Personnel Law, one or more deputy bank commissioners and as many examiners, assistant examiners and such other employees and clerks as the business of the department may require. The commissioner may employ or engage such expert, professional or other assistance as may be necessary or appropriate to assist the department in carrying out its functions. The commissioner may train his employees or have them trained in such manner as he deems desirable, at the expense of the department. All employees of the department shall receive their actual expenses incurred in the performance of official duties. A deputy bank commissioner designated by the commissioner shall perform the duties of the commissioner whenever the latter shall be absent from the State, or whenever he shall be directed by the commissioner, or whenever there shall be a vacancy in the office of the commissioner.

During his term of office the commissioner or any employee of the department shall not be an officer, director, trustee, attorney, stockholder or partner in any financial institution or national bank, federal savings and loan association, or federal or state credit union located in this State or receive, directly or indirectly, any payment or gratuity from any such institution or engage in the negotiation of loans for others with any such institution. This provision shall not prohibit being a depositor, or shareholder in the case of state or federal savings and loan associations or credit unions, on the same terms as are available to the public generally or being indebted, provided that such indebtedness is made known in writing to the commissioner and a record of such indebtedness is retained on file in the department so long as such indebtedness is outstanding.

Sec. 1-D. Department revenues and expenses. The expenses of the department necessarily incurred in the examination of financial institutions under its supervision shall be chargeable to such financial institutions. Every financial institution shall be assessed for the actual expenses incurred by the department in connection with any examination, investigation or verification of depositors' books, whether regular or special, such assessments to include the proportionate part of the salaries of the examiners and assistant examiners while engaged at such institutions and the reasonable board, room and hotel expenses of such persons while away from home, but to exclude their transportation expenses. Such assessment shall be made by the Bank Commissioner within 30 days after the close of such examination, investigation or verification and notice thereof shall forthwith be sent to such institution. All assessments so made shall be paid

to the Treasurer of the State by such institution within 30 days following such notice.

To provide for the balance of the expense of the department, including overhead, transportation, and general office and administrative expenses, the Bank Commissioner shall assess semiannually each savings bank and trust company at the rate of 7c for each \$1,000 of average deposits, excluding deposits of other financial institutions, and of the United States Government, and shall assess semiannually each loan and building association and industrial bank at the annual rate of 7c for each \$1,000 of average total resources as defined by the commissioner. In no event shall the semiannual assessment be less than \$10. For the period ending the last day of June in each year the assessment shall be made on or before the first day of August next following and for the period ending the last day of December in each year the assessment shall be made on or before the first day of February next following. The Bank Commissioner shall forthwith notify said financial institutions of such assessments. The assessments so made shall be paid semiannually to the Treasurer of the State within 10 days next following the first days of August and February in each year. The aggregate of payments provided for by this section is appropriated for the use of the Banking Department. Any balance of said funds shall not lapse but shall be carried forward to be expended for the same purposes in the following fiscal year.

All organizations other than those listed in the preceding paragraph and credit unions subject to examination by the department shall, on or before the first day of January, pay to the Treasurer of the State a sum equivalent to \$2.50 for each \$100,000 or major portion thereof of resources of such organization as shown by its books to have existed on the first day of December preceding. All payments hereunder shall be added to the aforesaid fund.

Any financial institution which shall fail to make such payments within the time specified shall be subject to a penalty of not more than \$25 per day for each day it is in violation of this section, which penalty, together with the amount due under the foregoing provisions of this section, may be recovered in a civil action in the name of the State.

Sec. 1-E. Department information and records. No information derived by or communicated to the Bank Commissioner or any employee of the Department shall be disclosed except to:

I. Certain state officials. The Governor, Attorney General or Treasurer of the State;

II. Advisory committees. The following advisory committees provided that such information so communicated shall be held by each member thereof in strict confidence:

A. An advisory committee to be made up of mutual savings bank executive officials or trustees, or both, chosen by the Savings Banks Association of Maine.

B. An advisory committee made up of state chartered trust company officials or directors, or both, chosen by the Maine Bankers Association.

C. An advisory committee made up of state chartered savings and loan association officials or directors, or both, chosen by the Maine Savings and Loan League.

D. An advisory committee made up of state chartered credit union officials or directors, or both, chosen by the Maine Credit Union League.

III. Other persons. Such other persons who, in the opinion of the commissioner, require such information to facilitate the general conduct of the supervisory activities of the department.

IV. Statutory provisions. Comply with this chapter relating to disclosure or publication of certain information.

V. Court of law. A court of law and then only with the consent of the commissioner or pursuant to special order of court.

Whoever violates this section shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 6 months, or by both.

Sec. 1-F. Department reports. The commissioner shall report to the Governor biennially beginning as of June 30, 1962. His report shall include the texts of all regulations of the department of general application adopted or altered since his last previous report; a statement of the status and remaining assets and liabilities of all financial institutions in receivership; a summary of all changes occurring since his last previous report by reason of opening of new financial institutions, mergers and conversions; a statement of condition of each financial institution as of the date of the most recent report of condition rendered to the commissioner; such other information as the commissioner believes to be of value. Copies of the biennial reports not previously submitted shall be submitted to the Legislature at the opening of the regular session following the publication of the report.

Sec. 1-G. Miscellaneous fees collected. The Bank Commissioner shall collect the following fees and account for and pay over the same to the Treasurer of State forthwith for deposit in the General Fund:

I. Foreign corporation. For a license authorizing a foreign banking corporation to conduct its business in this State, and each renewal thereof, \$20.

II. Service of process. For receiving service of process against such corporation or against a foreign corporation acting as trustee of a mortgage given by a domestic corporation, \$2, which shall be paid by the plaintiff at the time of such service, and shall be recovered by him as a part of his taxable cost, if he prevails in the civil action.

III. Application, dealer in securities. For filing application for registration as a dealer in securities, \$50.

IV. Registration, dealer in securities. For registration or renewal of dealers in securities, \$50, which shall be returned if registration or renewal is not granted.

V. Copy of dealer's certificate. For certified copy of dealer's certificate, 50c.

VI. Registration, salesman in securities. For registration or renewal of registration of salesman or agent of dealer in securities, \$10.

Sec. 1-H. Powers of the commissioner. In addition to other powers conferred by the law, the commissioner shall have the following powers:

I. Rules. To promulgate rules to govern internal organization and procedures, the procedure of administrative hearings and other administrative matters.

II. Examination. To examine each financial institution subject to his supervision whenever and as often as he deems expedient but at least once in every year. He shall have full access to the vaults, books and papers and may make such inquiries as are necessary to ascertain the condition of such institution and its ability to fulfill all engagements and to ascertain whether it has complied with the law and its directors, trustees, officers, employees and agents shall furnish him with statements and full information related to the condition and standing of the institution and all matters pertaining to its business affairs and management.

III. Reports and information. To require of financial institutions subject to his supervision reports and information at such times and in such forms as he deems appropriate to the proper supervision of such institutions.

IV. Regulations. To implement by regulation any provision of law relating to the supervision of financial institutions or to amend or repeal such regulations provided that:

A. Public notice of a hearing to consider the proposed regulation amendment or repeal shall be given at least 30 days prior to the hearing date, concurrent written notice to be given the commissioner's advisory committee designated in section 1-E to represent the affected classification of institution, namely, trust companies, savings banks, savings and loan associations or credit unions.

B. After such notice and hearing, the proposed regulation, amendment or repeal as finally formulated shall be submitted to said advisory committee.

C. Such regulation, amendment or repeal may be issued, and shall become effective on issue, not less than 60 days after submitted to the advisory committee unless said advisory committee disapproves the proposed regulation by majority vote of its entire membership submitted to the commissioner in writing within the 60-day period stating the reasons for its disapproval.

V. Summons. To summon persons and subpoena witnesses, compel their attendance, require the production of evidence, administer oaths and examine any person under oath in connection with any subject related to the supervision and regulation of financial institutions. Any summons or subpoena may be served by registered mail with return receipt. These powers may be enforced by the Superior Court.

VI. Participation in public agencies. To authorize, by regulation as provided in subsection IV, financial institutions until 90 days after the close of the next regular session of the Legislature to participate in a public agency hereafter created under the laws of this State or of the United States, the purpose of which is to afford advantages or safeguards to financial institutions or to depositors or shareholders and to comply with all requirements and conditions imposed upon such participants; and to engage in any activity in which financial institutions subject to the jurisdiction of the Federal Government may hereafter be authorized by federal legislation to engage.

VII. Receiver. To apply to one of the justices of the Supreme Judicial Court or of the Superior Court to appoint a receiver to take possession of the property and effects of a financial institution if he is of the opinion that it is insolvent or that its proceedings are hazardous to the public or to those having funds in its custody. Procedure before the court shall be as directed by statute, except that in the absence of specific provision sections 71 to 77 shall apply.

VIII. Orders. To order:

- A. Any person to cease violating any provision of statutes relating to the supervision of financial institutions.
- B. Any person to cease violating any lawful regulation issued by the commissioner.
- C. Any person subject to his supervision to cease engaging in any unsafe and unsound financial practice.
- D. Restriction of the withdrawal of funds from all or one or more financial institutions where, in the opinion of the commissioner, extraordinary circumstances make such restriction appropriate for the protection of depositors, shareholders or the public.

Sec. 1-I. Orders of the commissioner, notice and hearing, review. Orders issued by the commissioner shall be enforced by the Superior Court.

Notice and hearing shall be provided in advance of any order issued by the commissioner except when, in the opinion of the commissioner, immediate action is required to protect the public interest or interests of depositors or shareholders. In such cases, immediate action may be taken but the commissioner shall promptly afford a subsequent hearing upon application to rescind the action taken. No person shall be subjected to any civil or criminal liability for any act or omission to act in good faith in reliance upon a subsisting order, regulation or definition of the commissioner notwithstanding a subsequent decision by a court invalidating the order, regulation or definition.

Any person aggrieved and directly affected by an order of the commissioner may appeal to the commissioner's advisory committee representing the person or institution affected within 30 days after the issuance of the order. The committee, on affirmative vote to review by a majority of its entire membership may, in executive session, make such review and investigation as it deems appropriate

and the commissioner shall produce such records and testimony requested by the committee. The committee may, after review, on affirmative vote of the majority, preserving the confidential nature of information furnished by the department, render a written advisory opinion to the commissioner and the person or institution affected. Advisory committee members bringing appeals or who are directors, trustees, officers, employees or agents of the appellant shall not participate in the committee's vote to review, review or advisory opinion. The filing of an appeal shall not stay enforcement of an order.

Any person aggrieved and directly affected by an order of the commissioner may appeal to the Superior Court within 30 days after issuance of the order. The validity of an order may be tested only by such an appeal and may not be placed in issue in an action to enforce it or in a prosecution for its violation. The filing of an appeal shall not stay enforcement of an order, but the court may order a stay on such terms as it deems proper.

The court may affirm the order of the commissioner, may direct the commissioner to take action unlawfully withheld, or may reverse or modify the order of the commissioner if it was issued pursuant to an unconstitutional statutory provision, was in excess of statutory authority, was issued upon unlawful procedure, or is not supported by substantial evidence in the record. A copy of an advisory opinion, if any, which is related to an appeal to the court shall be furnished to the court by the commissioner and shall be made a part of the record.

Sec. I-J. Prohibited practices. It shall be unlawful for:

I. Orders. Any person to violate any legal order of the commissioner, served upon him.

II. Unauthorized business. Any person to engage in the business authorized for any financial institution unless he is properly authorized, or to represent that he is acting as such a financial institution, or to use an artificial or corporate name which purports to be or suggests that it is such a financial institution. Financial institutions organized under the laws of the United States are not subject to this provision.

III. Procure loans, etc. An officer, director, trustee, employee, agent or attorney of any financial institution to stipulate for or receive or consent or agree to receive any fee, commission, gift or thing of value, from any person, firm or corporation, for procuring or endeavoring to procure for such person, firm or corporation, or for any other person, firm or corporation, from any such financial institution, any loan or extension or renewal of loan or substitution of security, or the purchase or discount or acceptance of any paper, note, draft, check or bill of exchange by any such financial institution. Nothing contained in this section shall be construed to refer to the expenses of examining titles, drafting conveyances and mortgages and the performance of other purely legal services.

IV. Concealment. An officer, director, trustee, employee or agent of a financial institution to conceal or endeavor to conceal any transaction of the financial institution from any officer, director, trustee or employee of the insti-

tution or any official or employee of the Banking Department to whom it should be properly disclosed.

V. Unlawful acts. An officer, director, trustee, employee or agent of a financial institution to maintain or authorize the maintenance of any account of the financial institution in a manner which, to his knowledge, does not conform to the requirements prescribed by statutes applicable to the supervision of financial institutions or regulations issued thereunder; with intent to deceive, make any false or misleading statement or entry or omit any statement or entry that should be made in any book, account, report or statement of the institutions; obstruct or endeavor to obstruct a lawful examination or investigation of the institution or any of its affairs by an official or employee of the Banking Department.

Sec. 1-K. Criminal sanctions. Any person responsible for an act or omission expressly declared to be a criminal offense by statutes pertaining to the supervision of financial institutions and for which no other penalty has been provided by statute shall be guilty of a misdemeanor and shall be punished by imprisonment for not more than one year or by a fine of not more than \$5,000, or by both. If the act or omission was intended to defraud, such person shall be guilty of a felony and shall be punished by imprisonment for not more than 5 years or by a fine of not more than \$10,000, or by both.

An officer, director, trustee, employee, or agent of a financial institution shall be responsible for an act or omission of the institution declared to be a criminal offense against statutes pertaining to the supervision of financial institutions whenever, knowing that such act or omission is unlawful, he participates in authorizing, executing, ratifying or concealing such act, or in authorizing or ratifying such omission, or, having a duty to take the required action, omits to do so. A director or trustee shall be deemed to participate in any action of which he has knowledge taken or omitted to be taken by the board of which he is a member unless he dissents therefrom in writing and promptly notifies the commissioner of his dissent.

Unless otherwise provided by statute, it shall be no defense to a criminal prosecution that the defendant did not know the facts establishing the criminal character of the act or omission charged if he should reasonably have known such facts in the proper performance of his duty.

Sec. 1-L. Banking emergency. Whenever it shall appear to the Governor that the welfare of the State or any section thereof, or the welfare and security of financial institutions under the supervision of the Bank Commissioner or their depositors or shareholders require, the Governor may proclaim that a banking emergency exists and that any such financial institution shall be subject to special regulation as provided until the Governor, by like proclamation, declares the period of such emergency to have terminated. The Governor may declare such emergency banking holidays as in his judgment may be required.

During the period of any banking emergency declared, the Bank Commissioner, in addition to all other powers conferred upon him, shall have authority

to order one or more financial institutions to restrict all or any part of their business and to limit or postpone for any length of time the payment of any amount or proportion of deposits or shares in any of the departments thereof as he may deem necessary or expedient and may regulate further payments therefrom as to time and amount as the interest of the public or of such financial institutions or depositors or shareholders thereof may require, and any order or orders made by him may be amended, changed, extended or revoked, in whole or in part whenever in his judgment circumstances warrant or require. After the termination of any such banking emergency, any such order may be continued in effect as to any particular financial institution if in the judgment of the commissioner circumstances warrant or require and the Governor approves.

The commissioner may by order authorize financial institutions during such emergency and thereafter to receive new deposits or share funds, as the case may be, and such new funds shall be special deposits or shares, as the case may be, and so designated and segregated from all other such deposits or shares and may be invested only in assets approved by the commissioner as being sufficiently liquid to be available when needed to meet withdrawals on new deposits or shares, as the case may be. Such assets shall not be merged with other assets but shall be held in trust for the security and payment of new funds except that income from such assets may be to the extent authorized by the commissioner be used for other purposes of the institution. Withdrawal of such new deposits or shares shall not be subject in any respect to restrictions or limitations made applicable to previously existing accounts under this section.

In determining the action to be taken under this section, the Bank Commissioner may place such fair value on the assets of any financial institution as in his discretion seems proper under the conditions prevailing and circumstances relating thereto.

Sec. 1-M. Deposits and shares exempt from taxation. All interest-bearing deposits in savings banks, institutions for savings, trust companies and all capital dues of loan and building associations in the State are exempt from municipal taxation to said institutions and to the depositors of said institutions and to the shareholders of said loan and building association.

Sec. 1-N. Transactions during banking holidays. Chapter 188, section 194, shall apply to all said banking holidays already or hereafter declared by the Governor or by the President of the United States of America.

Sec. 1-O. Inactive accounts in national banks paid to State. All moneys in savings and demand accounts in national banks, to which no deposit has been made and from which no part of the deposit or dividends has been withdrawn for a period of more than 22 years shall be deemed presumptively abandoned and shall be paid into the State Treasury, and credited to the General Fund for the use of the State. Thereafter no action shall be maintained in any court in this State by any depositor or his heirs, successors or assigns for any deposit so paid against any bank making such payments. Thereafter any lawful claimant may petition the Governor and Council for payment of such moneys to the

claimant. In his petition the claimant shall state fully the facts showing the basis of his right, title and interest in such deposit. The Governor and Council, after a hearing, shall determine who are lawful claimants and shall authorize payment by the Treasurer of State from the General Fund to such claimants.

This section shall not apply to the deposits of persons known to the cashiers of national banks to be living, or to a deposit the deposit book of which has during the 22-year period been brought into the bank to be compared or to have the dividends added.

Sec. 1-P. Investment in, and use of, service facilities. Any financial institution may purchase the capital stock or obligations or otherwise invest or participate in or utilize the service of any organization operated primarily for the purpose of performing necessary clearing, bookkeeping, statistical and related services for the institution or other financial institutions, which services would otherwise necessarily be provided on an individual institution basis. Such investments, together with investments in real estate held for banking purposes, shall not exceed limitations prescribed for real estate held for banking purposes.

Any information derived from banking records or sources by personnel of such service organizations shall not be disclosed except in the regular course of business. Whoever violates this paragraph shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 6 months, or by both.'

Sec. 2. R. S., c. 59, §§ 1-19, repealed. Sections 1 and 2, section 2-A, as enacted by section 2 of chapter 178 of the public laws of 1959, sections 3 to 18, section 18-A, as enacted by chapter 117 of the public laws of 1955, and section 19, as amended, are repealed.

Sec. 3. R. S., c. 59, § 19-A, amended. Section 19-A of chapter 59 of the Revised Statutes, as enacted by section 1 of chapter 380 of the public laws of 1955, is amended by adding at the end the following sentences:

'No person, partnership, association or corporation, bank or trust company, except a mutual savings bank organized under the laws of this State, shall use as a part of its name or title the word or words "saving," "savings" or "savings bank," except that loan and building associations legally organized under the laws of this State may use the name or style "savings and loan association." This restriction shall not apply to any business being conducted under such name or style prior to the 23rd day of April, 1905, nor to any bank or trust company using such word or words prior to the first day of January, 1929.'

Sec. 4. R. S., c. 59, § 19-E, sub-§ II, ¶ I, amended. The 4th paragraph of paragraph I of subsection II of section 19-E of chapter 59 of the Revised Statutes, as enacted by section 1 of chapter 380 of the public laws of 1955, is amended to read as follows:

'Such audit may include a verification of accounts of depositors, which, if deemed adequate by the commissioner, shall relieve him from all responsibility for such verification imposed upon him by section 19-L so far as applicable to said savings bank; and shall relieve said bank of the expense

of such verification by the Banking Department which might otherwise have been assessed against it ~~under the provisions of section 2.~~

Sec. 5. R. S., c. 59, § 19-K, sub-§ VI, amended. Subsection VI of section 19-K of chapter 59 of the Revised Statutes, as enacted by section 1 of chapter 380 of the public laws of 1955, is amended to read as follows:

'VI. Rights a preferred claim. If, in the case of a sale of the assets of the bank, or of its merger with another bank, or if its standing and condition shall induce or oblige the commissioner or the trustees to have recourse to any of the proceedings provided by sections 1-H, **subsection VII**, 69, ~~70~~ 71 ~~72, 73, 74~~ and to 75, any rights to accrued or future retirement allowances vested in any officer or employee under action taken by the trustees of any savings bank under ~~the provisions of~~ subsection I, or under any agreement with an insurance company then in force, shall be a preferred claim upon the assets of the bank, unless such special fund is in the hands of a trustee for the benefit of such officer or employee.'

Sec. 6. R. S., c. 59, § 19-L, sub-§ II, repealed and replaced. Subsection II of section 19-L of chapter 59 of the Revised Statutes, as enacted by section 1 of chapter 380 of the public laws of 1955, is repealed and the following enacted in place thereof:

'II. Publication of statement. Each savings bank shall publish a statement of condition as prepared by the commissioner at his regular examination immediately after such examination in a newspaper in the place where it is established, if any, otherwise in a newspaper published in the nearest place thereto.'

Sec. 7. R. S., c. 59, § 70, repealed. Section 70 of chapter 59 of the Revised Statutes is repealed.

Sec. 8. R. S., c. 59, § 71, amended. Section 71 of chapter 59 of the Revised Statutes is amended to read as follows:

'Sec. 71. Injunction to restrain insolvent corporation; receivers appointed. If, upon examination of any savings bank, the ~~bank~~ commissioner is of the opinion that it is insolvent or that its condition is such as to render its further proceedings hazardous to the public or to those having funds in its custody, ~~he shall apply, or if, upon such examination, he is of the opinion that it has exceeded its powers or failed to comply with any of the rules, restrictions or conditions provided by law~~ he may apply to one of the Justices of the Supreme Judicial Court or of the Superior Court to issue an injunction to restrain such corporation in whole or in part from proceeding further with its business until a hearing can be had. Such justice may forthwith issue process for such purpose and, after a full hearing of the corporation, may dissolve or modify the injunction or make the same ~~perpetual~~ absolute, and make such orders and decrees to suspend, restrain or prohibit the further prosecution of its business as may be needful in the premises, according to the course of proceedings in ~~equity; and~~ ~~he~~ which equitable relief is sought. He may appoint one or more receivers or

trustees to take possession of its property and effects, subject to such rules and orders as are from time to time prescribed by the Supreme Judicial Court or the Superior Court or by any justice thereof ~~in vacation.~~'

Sec. 9. R. S., c. 59, § 78, repealed. Section 78 of chapter 59 of the Revised Statutes is repealed.

Sec. 10. R. S., c. 59, § 92, amended. Section 92 of chapter 59 of the Revised Statutes is amended by adding at the end the following sentences:

'No person, unless duly authorized under the laws of this State or the United States to conduct the business of a bank or trust company, shall use as a part of the name or title under which such business is conducted or as designating such business, the word or words "bank," "banker," "trust company," "banking" or "trust and banking company" or the plural of any such word or words or any abbreviation thereof in or in connection with any other business than that of a bank or trust company duly authorized as aforesaid. This restriction shall not apply to any such person conducting business under such name or style prior to the 23rd day of April, 1905.'

Sec. 11. R. S., c. 59, § 119, repealed. Section 119 of chapter 59 of the Revised Statutes is repealed.

Sec. 12. R. S., c. 59, § 121, amended. Section 121 of chapter 59 of the Revised Statutes, as amended by section 5 of chapter 380 of the public laws of 1955, is further amended to read as follows:

'**Sec. 12. Authority of commissioner over trust companies.** The ~~bank~~ commissioner shall at all times have the same authority over all trust companies incorporated under the laws of this State that he ~~now~~ has over savings banks, and shall perform, in reference to such companies, the same duties as are required of him in reference to savings banks. ~~He shall, annually, make a report to the Governor and Council of the general conduct and condition of each of said companies, making such suggestions as he deems expedient or the public interest requires. Such report shall be printed and laid before the legislature at its next session and a copy sent to each trust company in the state. The provisions of subsection II of section 19-L, subsection II, and sections 70 71 to 76 shall apply to trust companies, excepting so much as relates to the distribution of assets after a decree of sequestration, as provided in section 73. Such distribution of assets of trust companies shall be made under order of the court.'~~

Sec. 13. R. S., c. 59, § 208, repealed and replaced. Section 208 of chapter 59 of the Revised Statutes, as amended, is repealed and the following enacted in place thereof:

'**Sec. 208. Under supervision and control of Bank Commissioner.** The Bank Commissioner shall at all times have the same authority over every corporation organized under section 201 that he has over savings banks, and shall perform, in reference to such corporation, the same duties as are required of him in ref-

erence to savings banks. Section 19-E, subsection III, paragraph C, section 19-L, subsections I and II, and sections 69 to 75 shall apply to industrial banks.'

Sec. 14. R. S., c. 35, § 4, sub-§ IV, amended. Subsection IV of section 4 of chapter 35 of the Revised Statutes is amended to read as follows:

'IV. Financing. Financing any of the above enumerated activities for its members, subject to the limitations of ~~section 4 of~~ chapter 59, section 1-J, subsection II.'

Sec. 15. R. S., c. 55, § 3, amended. Section 3 of chapter 55 of the Revised Statutes is amended to read as follows:

'Sec. 3. Supervision and examination. Credit unions shall be organized under ~~the provisions, so far as applicable, of section 8 and subsequent sections of~~ chapter 53, sections 8 to 15, so far as applicable, except that the fee for filing and recording the articles of organization, including the issuing by the Secretary of State of the certificate of incorporation, shall be \$25. Credit unions shall be under the supervision of the commissioner and ~~shall make such financial reports to him as he shall require. Each credit union shall be subject to examination by, and for this purpose shall make its books and records accessible to, any person designated by the commissioner~~ chapter 59, sections 1-D, H, I, J and K, shall be applicable to credit unions in the same manner that they apply to financial institutions. Semiannual assessments required by section 1-D shall be computed in the manner prescribed therein for loan and building associations.

To defray in part the expenses of each regular examination of a credit union, the credit union so examined shall pay a fee of 25¢ for each \$1,000 of assets shown by its statement of condition at the time of the examination, which fee shall in no event be less than \$10; provided that no fee shall be collected from a credit union until it has been in operation for a period of 1 year. Such fee shall be payable within 30 days after notice from the commissioner.'

Sec. 16. P. & S. L., 1921, c. 93, § 9, amended. Section 9 of chapter 93 of the private and special laws of 1921 is amended to read as follows:

'Sec. 9. Fees and assessments, how computed. The corporation shall semi-annually on the last secular day of March and September make a return signed and sworn to by its treasurer of the average amount of its deposits and undivided profits and of its guaranty or reserve fund, if any, for the six months ending on each of said days. Said return shall be filed with the board of state assessors on or before the tenth day of April and October, and for wilfully making a false return the treasurer shall forfeit to the state not less than five hundred dollars nor more than five thousand dollars. The corporation shall pay a tax, assessed semi-annually, upon the value of the franchise of the corporation, created and given by this act, determined as follows: The said board of assessors on or before the first day of May and November shall determine the value of said franchise to be the average amount so returned and shall assess upon such value a tax of one fourth of one per cent, and shall forthwith certify said assessment to the treasurer of the state, who shall

forthwith notify the corporation. The tax, so assessed semi-annually, shall be paid by the corporation on or before the twenty fifth day of May and November. The Revised Statutes of 1954, chapter 55, section 3, pertaining to credit union fees and assessments shall apply to said corporation. The aforesaid franchise tax fees and assessments shall be in lieu of all other state and municipal taxes to said corporation and all the deposits of shareholders and investments and other property of the corporation shall be exempt from state or municipal taxation to the corporation, excepting real estate owned by the corporation and not held as collateral security, which may be taxed in the town or city in which the same is located. The deposits of shareholders shall be exempt from municipal taxation to shareholders.

Sec. 17. P. & S. L., 1927, c. 131, § 9, amended. Section 9 of chapter 131 of the private and special laws of 1927 is amended to read as follows:

'Sec. 9. Fees and assessments, how computed; exempt from other taxes. The corporation shall semi-annually on the last secular day of March and September make a return signed and sworn to by its treasurer of the average amount of its deposits and undivided profits and of its guaranty or reserve fund, if any, for the six months ending on each of said days. Said return shall be filed with the board of state assessors on or before the tenth day of April and October, and for wilfully making a false return the treasurer shall forfeit to the state not less than five hundred dollars nor more than five thousand dollars. The corporation shall pay a tax, assessed semi-annually, upon the value of the franchise of the corporation, created and given by this act, determined as follows: The said board of assessors on or before the first day of May and November shall determine the value of said franchise to be the average amount so returned and shall assess upon such value a tax of one-fourth of one per cent, and shall forthwith certify said assessment to the treasurer of the state, who shall forthwith notify the corporation. The tax, so assessed semi-annually, shall be paid by the corporation on or before the twenty fifth day of May and November. The Revised Statutes of 1954, chapter 55, section 3, pertaining to credit union fees and assessments shall apply to said corporation. The aforesaid franchise tax fees and assessments shall be in lieu of all other state and municipal taxes to said corporation and all the deposits of shareholders and investments and other property of the corporation shall be exempt from state or municipal taxation to the corporation, excepting real estate owned by the corporation and not held as collateral security, which may be taxed in the town or city in which the same is located. The deposits of shareholders shall be exempt from municipal taxation to shareholders.'

Sec. 18. P. & S. L., 1931, c. 11, § 9, amended. Section 9 of chapter 11 of the private and special laws of 1931 is amended to read as follows:

'Sec. 9. Fees and assessments, how computed. The corporation shall semi-annually on the last secular day of March and September make a return signed and sworn to by its treasurer of the average amount of its deposits and undivided profits and of its guaranty or reserve fund, if any, for the six months ending on each of said days. Said return shall be filed with the board

of state assessors on or before the tenth day of April and October, and for wilfully making a false return the treasurer shall forfeit to the state not less than five hundred dollars nor more than five thousand dollars. The corporation shall pay a tax, assessed semi-annually upon the value of the franchise of the corporation, created and given by this act, determined as follows: The said board of assessors on or before the first day of May and November shall determine the value of said franchise to be the average amount so returned and shall assess upon such value a tax of one fourth of one per cent, and shall forthwith certify said assessment to the treasurer of the state who shall forthwith notify the corporation. The tax so assessed semi-annually, shall be paid by the corporation on or before the twenty fifth day of May and November. The Revised Statutes of 1954, chapter 55, section 3, pertaining to credit union fees and assessments shall apply to said corporation. The aforesaid franchise tax fees and assessments shall be in lieu of all other state and municipal taxes to said corporation and all the deposits of shareholders and investments and other property of the corporation shall be exempt from state or municipal taxation to the corporation, excepting real estate owned by the corporation and not held as collateral security, which may be taxed in the town or city in which the same is located. The deposits of shareholders shall be exempt from municipal taxation to shareholders.'